

AMENDED IN SENATE JUNE 23, 2015

AMENDED IN SENATE APRIL 21, 2015

SENATE BILL

No. 657

**Introduced by Senator Monning
(Coauthor: Senator Jackson)**

February 27, 2015

An act to add Section 712 to the Public Utilities Code, relating to electricity, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 657, as amended, Monning. Diablo Canyon Units 1 and 2: enhanced seismic studies and review: independent peer review panel.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires the commission, for purposes of establishing rates for any electrical corporation, to disallow expenses reflecting the direct or indirect costs resulting from any unreasonable error or omission relating to the planning, construction, or operation of any portion of the corporation's plant which cost, or is estimated to have cost, more than \$50,000,000, including any expenses resulting from delays caused by any unreasonable error or omission. For these purposes, "planning" includes activities related to the initial and subsequent assessments of the need for a plant construction project and includes investigation and interpretation of environmental factors such as seismic conditions.

This bill would require the commission to convene, or continue, until ~~January 1, August 26, 2025~~, an independent peer review panel to conduct

an independent review of enhanced seismic studies and surveys of the Diablo Canyon Units 1 and 2 powerplant, including the surrounding areas of the facility and areas of nuclear waste storage.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 712 is added to the Public Utilities Code,
2 to read:

3 712. (a) The commission shall convene, or continue, until
4 ~~January 1, August 26, 2025,~~ an independent peer review panel to
5 conduct an independent review of enhanced seismic studies and
6 surveys of the Diablo Canyon Units 1 and 2 powerplant, including
7 the surrounding areas of the facility and areas of nuclear waste
8 storage.

9 (b) The independent peer review panel shall contract with the
10 Energy Commission, the California Geological Survey of the
11 Department of Conservation, the California Coastal Commission,
12 the Alfred E. Alquist Seismic Safety Commission, the Office of
13 Emergency Services, and the County of San Luis Obispo to
14 participate on the panel and provide expertise.

15 (c) The independent peer review panel shall review the seismic
16 studies and hold public meetings.

17 (d) The commission shall make reports by the independent peer
18 review panel publicly available on the Internet Web site maintained
19 by the commission.

20 SEC. 2. This act is an urgency statute necessary for the
21 immediate preservation of the public peace, health, or safety within
22 the meaning of Article IV of the Constitution and shall go into
23 immediate effect. The facts constituting the necessity are:

24 The Public Utilities Commission in Decision 10-08-003 (August
25 12, 2010) convened an independent peer review panel to review
26 the seismic studies conducted on behalf of Pacific Gas and Electric
27 Company relative to the Diablo Canyon Units 1 and 2 powerplant.
28 The independent peer review panel, in addition to providing
29 valuable expertise to the commission in evaluating the seismic
30 studies, also operates to assure the public that the seismic studies

1 are being performed in an appropriate manner. Because the
2 commission's current contracts for the independent peer review
3 panel are set to expire on November 30, 2015, the Diablo Canyon
4 Units 1 and 2 powerplant is authorized to operate until ~~January 1,~~
5 *August 26, 2025*, by the federal Nuclear Regulatory Commission,
6 and there continues to be enhanced seismic studies and surveys
7 conducted that warrant review by the independent peer review
8 panel to ensure the safety of the public, it is necessary that this act
9 take effect immediately.

O